

2.29.24 SB1093.pdf

Uploaded by: Bee Ditzler

Position: FAV



TESTIMONY TO THE SENATE BUDGET AND TAXATION COMMITTEE

SB 1093 Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024)

POSITION: Support

BY: Linda Kohn, LWVMD President

Date: February 29, 2024

The League of Women Voters of Maryland (LWVMD) supports SB1093 as it establishes a mechanism to help balance our budget coffers. We believe in raising revenue in a prescribed manner that is fair and equitable to all.

Maryland needs revenue and LWVMD believes in maintaining the solvency of the Transportation Trust Fund and increasing the funding for mass transit. Neither are easy to accomplish. This bill sets out considerations for seniors, daily commuters and people with low income to help it become more equitable. It establishes standards and regulations that should be followed, just as individuals follow budgets. Using funds exclusively and for a set purpose in a specific manner helps to balance our treasury. These are funds that the people of Maryland pay and should be accountable to all people who use our transportation system.

This bill is a partial remedy for the Transportation Trust Fund that is long in coming. It provides concrete steps and a way forward without relying on gimmicks, magic tricks, or waving of a wand to create a way to fix what is broken in our transportation system. SB1093 gives us a way forward monetarily.

LWVMD urges this Senate Committee to approve SB1093.

SB1093_Maryland_Toll_Rate_Reform_Act_of_2024_MLC_F

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB1093 Maryland Toll Rate Reform Act of 2024

Bill Sponsor: Senator Guzzone

Committee: Budget and Taxation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB1093 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

The Maryland Toll Rate Reform Act of 2024 addresses recommendations from the Transportation Revenue and Infrastructure Needs Commission. It requires the Maryland Transportation Authority (MdTA) to maximize toll revenues to generate funding for the maintenance and operation of its toll facilities.

Surplus revenues are to go to the Transportation Trust Fund to construct or maintain state highways that feed traffic to MdTA facilities or construct or maintain state highway or transit projects that serve as alternatives to the facilities.

The revenues flowing into the state's dedicated Transportation Trust Fund have declined. That account, which pays for highway and transit projects as well as for Baltimore's transit system and WMATA, is built on revenues from the state's gas tax and other taxes and fees. People are driving electric vehicles and keeping their cars longer, impacting our transportation funding.

Some of the toll increases being considered are modest and would generate only \$80 to \$90 million. This is a small, but important, plug in the transportation budget impacted by cost of our Blueprint for education. Our Coalition supports both these funding priorities.

We recommend a **FAVORABLE** report in committee.

Maryland Toll Rates Reform Act_SB 1093_Written Tes

Uploaded by: Ernesto Villasenor

Position: FAV

Committee: Budget and Taxation
Testimony: Maryland Toll Rate Reform Act of 2024 (SB 1093)
Position: Favorable
Hearing Date: February 29, 2024

Ernesto Villasenor, Jr., J.D
Chesapeake Climate Action Network Action Fund

On behalf of the Chesapeake Climate Action Network Action Fund, we strongly support the Maryland Toll Rate Reform Act of 2024 (SB 1093). This legislation provides a thorough strategy for managing toll rates and distributing revenue, aimed at ensuring the effective use of transportation funds. It prioritizes the needs of Maryland residents by establishing sustainable revenue sources for transportation, which will enable us to address our transportation needs and invest in infrastructure aligned with our climate goals.

One of the key provisions of this bill is the allocation of funds in the Transportation Facilities Overage Account for critical transportation infrastructure projects. By directing these funds towards the construction and maintenance of state highways that feed vehicular traffic to Maryland Transportation Authority (MDTA) facilities, as well as projects aimed at relieving traffic congestion and providing alternative transportation options, the legislation addresses pressing transportation challenges in our state.

Furthermore, the establishment of the Transportation Facilities Overage Account within the Transportation Trust Fund ensures that revenue collected above the required amounts is directed towards essential transportation initiatives. This proactive approach to revenue distribution will enable the completion of vital infrastructure projects that enhance connectivity and promote economic growth across Maryland.

The Maryland Toll Rate Reform Act also emphasizes the importance of setting toll rates at near-optimal levels. By considering market forces and implementing varying toll rates based on time of day, seasonality, and anticipated travel patterns, the legislation seeks to optimize toll revenue while minimizing the financial burden on commuters and residents. Additionally, the inclusion of discount rates for seniors, daily commuters, low-income state residents, Maryland E-ZPass holders, and residents living near transportation facilities underscores the commitment to equity and accessibility in toll pricing.

In conclusion, we urge the Committee to support the Maryland Toll Rate Reform Act of 2024, representing a forward-thinking approach to toll management, revenue allocation, and equitable access to essential infrastructure in line with the state's transportation priorities.

SB 1093_MTBMA_FAV.pdf

Uploaded by: Michael Sakata

Position: FAV



February 29, 2024

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: SB 1093 – FAVORABLE – Maryland Transportation Authority – Tolls – Collection and Use (Maryland Toll Rate Reform Act of 2024)

Dear Chair Guzzone and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 1093 would establish the Transportation Facilities Overage Account in the Transportation Trust Fund (“TTF”), which will be used for the construction and maintenance of state highways that feed vehicular traffic to a MDTA transportation facility and state highway or transit construction or maintenance projects that relieve traffic congestion at MDTA transportation facilities. MDTA will be required to fix, revise, charge, and collect fees, tolls, and other charges at the near optimal toll rate which will go into this new account.

MTBMA greatly appreciates the sponsor introducing this legislation which is aimed at increasing toll revenue to support the construction and maintenance of toll roads, with a focus of relieving traffic congestion at those sites. This bill is based on one of the interim recommendations of the Maryland Commission on Transportation Revenue and Infrastructure Needs. As one of its Commissioners, we spent months during the interim reviewing possible avenues for additional funding sources for the State’s TTF. One of our recommendations was that MDTA adjust toll rates to maximize toll revenues to generate new revenue to support transportation projects. The MDTA is a nonbudgeted State agency and all toll revenues are deposited in the Transportation Authority Fund, which is wholly separate from the TTF. This bill will reform the toll collection system in Maryland to assist with much needed projects.

We do however have one recommended change to the legislation—changing the word “shall” to “may” throughout the bill to avoid unintended consequences on credit scores and funding capabilities for future projects. This simple change will provide necessary flexibility without compromising the goals for MDTA. To ensure that the bill’s expanded authority, specifically in the construction and maintenance of

state highways, doesn't conflict with existing agreements, this will clearly define and limit its scope. We believe these modifications will make the bill more acceptable to stakeholders and the public, thus safeguarding our existing partnerships.

We appreciate you taking the time to consider our request for a **FAVORABLE** report on SB 1093.

Thank you,

A handwritten signature in black ink, appearing to read 'MS', with a long horizontal flourish extending to the right.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

SB 1093_MAA_FAV.pdf

Uploaded by: Tim Smith

Position: FAV

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

February 29, 2024

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: SB 1093 – FAVORABLE – Maryland Transportation Authority – Tolls – Collection and Use (Maryland Toll Rate Reform Act of 2024)

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 1093 would establish the Transportation Facilities Overage Account in the Transportation Trust Fund ("TTF"), which will be used for the construction and maintenance of state highways that feed vehicular traffic to a MDTA transportation facility and state highway or transit construction or maintenance projects that relieve traffic congestion at MDTA transportation facilities. MDTA will be required to fix, revise, charge, and collect fees, tolls, and other charges at the near optimal toll rate which will go into this new account.

MAA greatly appreciates the sponsor introducing this legislation which is aimed at increasing toll revenue to support the construction and maintenance of toll roads, with a focus of relieving traffic congestion at those sites. This bill is based on one of the interim recommendations of the Maryland Commission on Transportation Revenue and Infrastructure Needs. The Commission spent months during the interim reviewing possible avenues for additional funding sources for the State's TTF. One of our recommendations was that MDTA adjust toll rates to maximize toll revenues to generate new revenue to support transportation projects. The MDTA is a nonbudgeted State agency and all toll revenues are deposited in the Transportation Authority Fund, which is wholly separate from the TTF. This bill will reform the toll collection system in Maryland to assist with much needed projects.

We do however have one recommended change to the legislation—changing the word "shall" to "may" throughout the bill to avoid unintended consequences on credit scores and funding capabilities for future projects. This simple change will provide necessary flexibility without compromising the goals for MDTA. To ensure that the bill's expanded authority, specifically in the construction and maintenance of state highways, doesn't conflict with existing agreements, this will clearly define and limit its scope. We

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

believe these modifications will make the bill more acceptable to stakeholders and the public, thus safeguarding our existing partnerships.

We appreciate you taking the time to consider our request for a **FAVORABLE** report on SB 1093.

Sincerely,

A handwritten signature in cursive script that reads "Tim Smith".

Tim Smith. P.E.
President
Maryland Asphalt Association

SB 1093 FWA_CMTA Bikemore.pdf

Uploaded by: Eric Norton

Position: FWA



**Transportation
Alliance**



Bikemore

February 29, 2024

**Testimony on SB 1093 –
Maryland Toll Reform Act of 2024 –
Budget & Taxation Committee**

Position: Favorable With Amendments

The Central Maryland Transportation Alliance and Bikemore support the Maryland Toll Reform Act of 2024 with some suggested amendments that we believe strengthen the bill.

Overall, we support the intent of SB 1093 to optimize toll revenue and broaden the use of that revenue for transportation needs outside of the Maryland Transportation Authority.

The careful consideration of toll rates, including the introduction of near optimal toll rates and the incorporation of discounts for specific demographics, reflects a thoughtful and reasonable approach to toll policy in the state.

We suggest three specific amendments in 3-216 (d)(5):

1. In subsection (l), remove “construction and” so that the funds are focused on maintaining our existing infrastructure first.
2. In subsection (l)(1), replace “relieve traffic congestion” with “improve person throughput” or similar language.
3. In subsection (1)(2), replace “general vicinity” with a more specific, accountable geographic boundary, such as “within the jurisdiction in which the toll facility is located”.

We encourage a FAVORABLE WITH AMENDMENTS report for Senate Bill 1093.

Economic Action Maryland SB1093 FWA.pdf

Uploaded by: Marceline White

Position: FWA



Testimony to the Budget and Taxation Committee
Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024)
SB1093 Position: Favorable

The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401
cc: Members, Budget and Taxation Committee

Chair Guzzone and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

I appreciate the goals of SB1093 and recognize the need to generate revenue for transportation projects near Maryland Transportation Authority (MTA). I also understand that tolls are an effective mechanism to do so.

However, technical glitches in [EZ pass](#) and [toll](#) management and oversight led to more than 80,000 consumers being overcharged by sometimes tens of thousands of dollars. Tolls can be regressive if not appropriately [designed](#) and if discounts are not automatically provided for low-income and vulnerable groups.

For these reasons, we believe that discounts for certain populations are necessary to offset the potential costs to consumers that may be passed on via the tolls.

Therefore we urge the adoption of the amendment below:

4 (II) THE AUTHORITY SHALL ~~CONSIDER~~:
5 1. OFFERING DISCOUNT RATES FOR SENIORS, DAILY
6 COMMUTERS, LOW-INCOME STATE RESIDENTS, MARYLAND E-ZPASS HOLDERS,
7 AND STATE RESIDENTS WHO LIVE IN THE VICINITY OF THE TRANSPORTATION
8 FACILITY; AND
9 2. INSERT [**CONSIDER**] THE DISCOUNT RATES OFFERED IN DETERMINING
10 THE NEAR OPTIMAL TOLL RATE

For these reasons, we support SB1093 favorable with the proposed amendment stated above and to work with the committee to design appropriate discounts for vulnerable populations.

Best,

Marceline White
Executive Director

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Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

SB1093- Maryland Motor Truck Association - Oppose.

Uploaded by: Louis Campion

Position: UNF



Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045

Phone: 410-644-4600 Fax: 410-644-2537



HEARING DATE: February 29, 2024

BILL NO/TITLE: Senate Bill 1093: Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024)

COMMITTEE: Senate Budget & Taxation Committee

POSITION: Oppose

Maryland Motor Truck Association (MMTA) appreciates efforts to raise additional revenue for transportation purposes; however, MMTA opposes Senate Bill 1093 as we believe it will result in substantial increases in toll rates, the potential loss of discounts for high-volume toll spenders, redistribution of funds currently used for operations and maintenance of heavily utilized trucking corridors, and possible elimination of meaningful future congestion mitigation projects on Transportation Authority roadways.

For many trucking companies, tolling is one of our largest expenses. It should be noted that, when tolls were reduced in 2015, the trucking industry did not experience a toll reduction, except at the Bay Bridge. The toll rates for trucks remained the same at all other facilities across the state. We have also had five toll increases since 2001, coupled with a substantial loss of discounts for our E-ZPass users as discounts were eliminated for trucks with three and four axles, and lowered for five + axle trucks.

While MMTA opposes the use of tolls to pay for maintenance on our existing highway system, the Association recognizes that major projects that add capacity to our transportation network are often not able to be funded by traditional means. We understand that for critical capacity enhancements, tolling is typically the only way to fund new highway construction or offset the cost of adding lanes on the existing system. However, we are concerned that the passage of this legislation will likely force MDTA to greatly increase toll rates to pay for projects that have historically not been tolled and are not part of the Transportation Authority's roadways. This may jeopardize future improvements to the agency's existing structures and prevent future congestion mitigation projects, such as a potential 3rd span of the Chesapeake Bay Bridge.

It is also unclear what would be considered an optimum toll rate. Is the goal to maximize profits or minimize diversion to local roadways, which are often less safe than the major tolled thoroughfares?

Maryland's transportation system is the backbone of its commercial activity, with trucks providing the integral link for the state's rail system, the Thurgood Marshall Baltimore-Washington International Airport, and the Port of Baltimore Seagirt Marine Terminal, which serves as a distribution center of national importance. The Port relies on the motor carrier industry and the independent owner-operator to move the containers, automobiles, and breakbulk products that traverse the Port. If the costs of distribution to or from the Port rise, its attractiveness to shippers will unquestionably fall.

For the reasons noted above, MMTA respectfully opposes this legislation.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association representing the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-4223